

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112

Financial Statements With Independent Auditors' Report

For the Year Ended June 30, 2011

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Financial Statements With Independent Auditors' Report
For the Year Ended June 30, 2011

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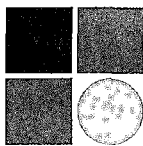
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CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Financial Statements With Independent Auditors' Report
For the Year Ended June 30, 2011

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Certified
Public
Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Education

Central Plains Unified School District No. 112

Holyrood, Kansas

We have audited the accompanying financial statements of **Central Plains Unified School District No. 112**, as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of **Central Plains Unified School District No. 112's** management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit Guide* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1, **Central Plains Unified School District No. 112**, has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, whose practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Central Plains Unified School District No. 112**, as of June 30, 2011, or changes in its financial position for the year then ended. Further, **Central Plains Unified School District No. 112** has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

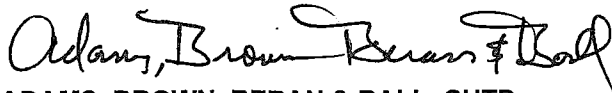
In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of **Central Plains Unified School District No. 112**, as of June 30, 2011, and their respective cash receipts and disbursements and budgetary results for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have issued our report dated November 14, 2011, on our consideration on **Central Plains Unified School District No. 112's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in

Central Plains Unified School District No. 112
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accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise **Central Plains Unified School District No. 112's** financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The schedule of expenditures of federal awards is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

A handwritten signature in black ink, appearing to read "Adams, Brown, Beran & Ball".

ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

November 14, 2011

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
 Summary of Cash Receipts, Expenditures, and Unencumbered Cash
 For the Year Ended June 30, 2011

Funds	Beginning Unencumbered Cash Balance	Prior Period Restatement	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Categories								
General Funds								
General Fund	\$ 408	-	131	5,682,595	5,604,153	78,981	22,103	101,084
Supplemental General Fund	262,479	-	34	1,454,347	1,460,190	256,670	78,727	335,397
Special Revenue Funds								
Capital Outlay Fund	1,178,825	-	-	322,504	442,956	1,058,373	44,054	1,102,427
Driver Training Fund	32,695	-	-	11,044	9,430	34,309	563	34,872
Food Service Fund	123,048	-	-	380,061	381,895	121,214	39	121,253
Professional Development Fund	74,273	-	-	15,000	35,830	53,443	3,984	57,427
Special Education Fund	488,700	-	-	734,153	859,422	363,431	-	363,431
Vocational Education Fund	93,786	(1,199)	-	252,031	255,019	89,599	265	89,864
Recreation Commission Fund	3,254	-	-	26,822	27,000	3,076	-	3,076
KPERs Special Retirement Contribution Fund	-	-	-	275,378	275,378	-	-	-
At-Risk (K-12) Fund	40,576	-	-	347,617	345,193	43,000	860	43,860
At-Risk (4 Year Old) Fund	14,778	-	-	14,000	18,490	10,288	-	10,288
Contingency Reserve Fund	555,187	(37,888)	-	-	-	517,299	-	517,299
Textbook Rental Fund	19,149	-	-	20,635	-	39,784	-	39,784
Title I Fund	17	-	-	96,897	96,914	-	-	-
Title II A - Teacher Quality Fund	-	-	-	35,837	35,837	-	57	57
Title II D - Education Technology Fund	-	-	-	328	328	-	-	-
District Activity Funds	45,061	-	-	190,889	191,258	44,692	-	44,692
Debt Service Fund								
Bond and Interest Fund	908,213	-	-	737,874	708,875	937,212	-	937,212
Fiduciary Fund Category								
Private Purpose Trust Funds								
Scholarship Fund	11,596	-	-	7,061	9,927	8,730	-	8,730
Special Gift Fund	5,957	-	-	7,860	5,130	8,687	518	9,205
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 3,858,002</u>	<u>(39,087)</u>	<u>165</u>	<u>10,612,933</u>	<u>10,763,225</u>	<u>3,668,788</u>	<u>151,170</u>	<u>3,819,958</u>
				Composition of Cash				
							\$	2,122,309
						Checking Accounts		
						Savings Account		1,747,428
						Total Cash		3,869,737
						Agency Funds per Statement 4		(49,779)
						Total Reporting Entity (Excluding Agency Funds)	\$	<u>3,819,958</u>

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112

Summary of Expenditures - Actual and Budget

For the Year Ended June 30, 2011

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Fund Categories						
General Funds						
General Fund	\$ 5,601,153	-	3,000	5,604,153	5,604,153	-
Supplemental General Fund	1,460,000	-	190	1,460,190	1,460,190	-
Special Revenue Funds						
Capital Outlay Fund	800,000	-	-	800,000	442,956	(357,044)
Driver Training Fund	24,780	-	-	24,780	9,430	(15,350)
Food Service Fund	432,836	-	-	432,836	381,895	(50,941)
Professional Development Fund	40,000	-	-	40,000	35,830	(4,170)
Special Education Fund	918,703	-	-	918,703	859,422	(59,281)
Vocational Education Fund	277,100	-	-	277,100	255,019	(22,081)
Recreation Commission Fund	27,000	-	-	27,000	27,000	-
KPERs Special Retirement Contribution Fund	395,006	-	-	395,006	275,378	(119,628)
At-Risk (K-12) Fund	346,617	-	-	346,617	345,193	(1,424)
At-Risk (4 Year Old) Fund	22,050	-	-	22,050	18,490	(3,560)
Debt Service Fund						
Bond and Interest Fund	708,875	-	-	708,875	708,875	-

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
General Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011

	Current Year		Variance
	Actual	Budget	Over (Under)
Cash Receipts			
Taxes and Shared Revenues			
Taxes	\$ 1,710,395	1,658,206	52,189
Intergovernmental Revenues			
Mineral Severance Tax	59,353	21,000	38,353
Equalization Aid	3,030,431	3,219,050	(188,619)
State Aid	603,378	602,556	822
State Aid - Other	3,000	-	3,000
Federal Aid - ARRA	100,341	100,341	-
Federal Aid - Education Jobs Fund	175,697	-	175,697
Total Cash Receipts	5,682,595	5,601,153	81,442
Expenditures			
Instruction	2,265,929	2,462,695	(196,766)
Student Support Services	195,684	211,184	(15,500)
Instructional Support Services	152,263	146,285	5,978
General Administration	489,018	544,418	(55,400)
School Administration	589,818	543,557	46,261
Operations and Maintenance	429,148	443,320	(14,172)
Student Transportation Services	185,118	172,520	12,598
Other Supplemental Service	47,526	-	47,526
Transfers Out	1,249,649	1,077,174	172,475
(a) Adjustment for Qualifying Budget Credit	-	3,000	(3,000)
Total Expenditures	5,604,153	5,604,153	-
Cash Receipts Over (Under) Expenditures	78,442		
Unencumbered Cash - Beginning	408		
Prior Year Cancelled Encumbrances	131		
Unencumbered Cash - Ending	\$ 78,981		
(a) Adjustment for Qualifying Budget Credit			
State Aid Over Amount Budgeted		\$ 3,000	

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Supplemental General Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011

	Current Year		Variance Over (Under)
	Actual	Budget	
Cash Receipts			
Taxes and Shared Revenues			
Taxes	\$ 1,454,157	1,394,371	59,786
Intergovernmental Revenues			
State Aid	190	-	190
Total Cash Receipts	1,454,347	1,394,371	59,976
Expenditures			
Instruction	743,255	731,876	11,379
Student Support Services	21,890	34,572	(12,682)
Instructional Support Services	14,644	31,000	(16,356)
General Administration	62,783	22,475	40,308
School Administration	20,474	19,900	574
Operations and Maintenance	185,808	74,000	111,808
Student Transportation Services	127,092	115,000	12,092
Other Supplemental Service	35,418	-	35,418
Transfers Out	248,826	431,177	(182,351)
(a) Adjustment for Qualifying Budget Credit	-	190	(190)
Total Expenditures	1,460,190	1,460,190	-
Cash Receipts Over (Under) Expenditures	(5,843)		
Unencumbered Cash - Beginning	262,479		
Prior Year Cancelled Encumbrances	34		
Unencumbered Cash - Ending	\$ 256,670		
(a) Adjustment for Qualifying Budget Credit			
State Aid Over Amount Budgeted		\$ 190	

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Capital Outlay Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011

	Current Year		Variance Over (Under)
	Actual	Budget	
Cash Receipts			
Taxes and Shared Revenues			
Taxes	\$ 202,601	197,258	5,343
Other Local Sources			
Miscellaneous Revenue	32,060	-	32,060
Royalties - Broadband Agreement	7,596	-	7,596
Refunds and Reimbursements	68,584	-	68,584
Interest on Idle Funds	11,663	-	11,663
Total Cash Receipts	322,504	197,258	125,246
Expenditures			
Instruction	258,302	235,000	23,302
Student Support Services	-	200,000	(200,000)
School Administration	4,871	5,000	(129)
Operations and Maintenance	49,595	75,000	(25,405)
Transportation	29,500	75,000	(45,500)
Other Supplemental Services	47,977	60,000	(12,023)
Facility Acquisition and Construction	52,711	150,000	(97,289)
Total Expenditures	442,956	800,000	(357,044)
Cash Receipts Over (Under) Expenditures	(120,452)		
Unencumbered Cash - Beginning	1,178,825		
Unencumbered Cash - Ending	\$ 1,058,373		

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Driver Training Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011

	Current Year		Variance
	Actual	Budget	Over (Under)
Cash Receipts			
Taxes and Shared Revenues			
State Aid	\$ 2,886	1,400	1,486
Other Local Sources			
Student Fees	3,158	-	3,158
Transfers In	5,000	-	5,000
Total Cash Receipts	11,044	1,400	9,644
Expenditures			
Instruction	8,602	22,530	(13,928)
Vehicle Operating Services	828	2,250	(1,422)
Total Expenditures	9,430	24,780	(15,350)
Cash Receipts Over (Under) Expenditures	1,614		
Unencumbered Cash - Beginning	32,695		
Unencumbered Cash - Ending	\$ 34,309		

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Food Service Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011

	Current Year		Variance Over (Under)
	Actual	Budget	
Cash Receipts			
Intergovernmental Revenues			
State Aid	\$ 3,122	2,821	301
Federal Aid	139,972	148,959	(8,987)
Other Local Sources			
Receipts - Students	85,984	90,733	(4,749)
Receipts - Adults	15,607	16,747	(1,140)
Miscellaneous Revenue	376	-	376
Transfers In	135,000	120,000	15,000
Total Cash Receipts	380,061	379,260	801
Expenditures			
Operations and Maintenance	33,181	29,000	4,181
Food Service Operation	348,714	403,836	(55,122)
Total Expenditures	381,895	432,836	(50,941)
Cash Receipts Over (Under) Expenditures	(1,834)		
Unencumbered Cash - Beginning	123,048		
Unencumbered Cash - Ending	\$ 121,214		

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Professional Development Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011

	Current Year		Variance Over (Under)
	<u>Actual</u>	<u>Budget</u>	
Cash Receipts			
Other Local Sources			
Transfers In	\$ 15,000	-	15,000
Expenditures			
Instructional Support Services	35,830	40,000	(4,170)
Cash Receipts Over (Under) Expenditures	(20,830)		
Unencumbered Cash - Beginning	74,273		
Unencumbered Cash - Ending	\$ 53,443		

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Special Education Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011

	Current Year		Variance Over (Under)
	Actual	Budget	
Cash Receipts			
Other Local Sources			
Miscellaneous Revenue	\$ 4,326	-	4,326
Transfers In	729,827	888,703	(158,876)
Total Cash Receipts	734,153	888,703	(154,550)
Expenditures			
Instruction	825,016	888,583	(63,567)
Vehicle Operating Services	34,406	30,120	4,286
Total Expenditures	859,422	918,703	(59,281)
Cash Receipts Over (Under) Expenditures	(125,269)		
Unencumbered Cash - Beginning	488,700		
Unencumbered Cash - Ending	\$ 363,431		

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Vocational Education Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011

	Current Year		Variance Over (Under)
	Actual	Budget	
Cash Receipts			
Other Local Sources			
Transfers In	\$ 252,031	<u>170,031</u>	<u>82,000</u>
Expenditures			
Instruction	<u>255,019</u>	<u>277,100</u>	<u>(22,081)</u>
Cash Receipts Over (Under) Expenditures	(2,988)		
Unencumbered Cash - Beginning As Previously Stated	93,786		
Prior Period Restatement	<u>(1,199)</u>		
Unencumbered Cash - Beginning As Restated	<u>92,587</u>		
Unencumbered Cash - Ending	\$ <u>89,599</u>		

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Recreation Commission Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011

	Current Year		Variance Over (Under)
	Actual	Budget	
Cash Receipts			
Taxes and Shared Revenues			
Taxes	\$ 26,822	<u>27,902</u>	<u>(1,080)</u>
Expenditures			
Community Service Operations	<u>27,000</u>	<u>27,000</u>	<u>-</u>
Cash Receipts Over (Under) Expenditures	(178)		
Unencumbered Cash - Beginning	<u>3,254</u>		
Unencumbered Cash - Ending	\$ <u>3,076</u>		

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
KPERS Special Retirement Contribution Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011

	Current Year		Variance Over (Under)
	Actual	Budget	
Cash Receipts			
Intergovernmental Revenues			
State Aid	\$ 275,378	395,006	(119,628)
Expenditures			
Instruction	158,776	215,200	(56,424)
Student Support Services	10,410	17,380	(6,970)
Instructional Support Services	9,201	15,768	(6,567)
General Administration	21,057	31,580	(10,523)
School Administration	29,377	43,570	(14,193)
Operations and Maintenance	24,455	36,100	(11,645)
Student Transportation Services	9,760	16,503	(6,743)
Food Service Operation	12,342	18,905	(6,563)
Total Expenditures	275,378	395,006	(119,628)
Cash Receipts Over (Under) Expenditures	-		
Unencumbered Cash - Beginning	-		
Unencumbered Cash - Ending	\$ -		

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
At-Risk (K-12) Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011

	Current Year		Variance Over (Under)
	<u>Actual</u>	<u>Budget</u>	
Cash Receipts			
Other Local Sources			
Transfers In	\$ 347,617	<u>307,617</u>	<u>40,000</u>
Expenditures			
Instruction	<u>345,193</u>	<u>346,617</u>	<u>(1,424)</u>
Cash Receipts Over (Under) Expenditures	2,424		
Unencumbered Cash - Beginning	<u>40,576</u>		
Unencumbered Cash - Ending	\$ <u>43,000</u>		

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
At-Risk (4 Year Old) Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011

	Current Year		Variance Over (Under)
	Actual	Budget	
Cash Receipts			
Other Local Sources			
Transfers In	\$ 14,000	22,000	(8,000)
Expenditures			
Instruction	18,490	22,050	(3,560)
Cash Receipts Over (Under) Expenditures	(4,490)		
Unencumbered Cash - Beginning	14,778		
Unencumbered Cash - Ending	\$ 10,288		

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Contingency Reserve Fund
Statement of Cash Receipts and Expenditures
For the Year Ended June 30, 2011

	<u>Current Year Actual</u>
Cash Receipts	\$ -
Expenditures	<u>-</u>
Cash Receipts Over (Under) Expenditures	-
Unencumbered Cash - Beginning As Previously Stated	555,187
Prior Period Restatement	<u>(37,888)</u>
Unencumbered Cash - Beginning As Restated	<u>517,299</u>
Unencumbered Cash - Ending	\$ <u><u>517,299</u></u>

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Textbook Rental Fund
Statement of Cash Receipts and Expenditures
For the Year Ended June 30, 2011

	Current Year Actual
Cash Receipts	
Other Local Sources	
Book Rental Fees	\$ 13,098
Art Fees	1,073
Laptop Fees	4,720
Technology Fees	<u>1,744</u>
Total Cash Receipts	20,635
Expenditures	<u>-</u>
Cash Receipts Over (Under) Expenditures	20,635
Unencumbered Cash - Beginning	<u>19,149</u>
Unencumbered Cash - Ending	\$ <u><u>39,784</u></u>

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112

Title I Fund

Statement of Cash Receipts and Expenditures

For the Year Ended June 30, 2011

	<u>Current Year Actual</u>
Cash Receipts	
Intergovernmental Revenues	
Federal Aid	\$ 96,897
Expenditures	
Instruction	<u>96,914</u>
Cash Receipts Over (Under) Expenditures	(17)
Unencumbered Cash - Beginning	<u>17</u>
Unencumbered Cash - Ending	\$ <u><u>-</u></u>

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Title II A - Teacher Quality Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended June 30, 2011

	<u>Current Year Actual</u>
Cash Receipts	
Intergovernmental Revenues	
Federal Aid	\$ 35,837
Expenditures	
Instruction	<u>35,837</u>
Cash Receipts Over (Under) Expenditures	-
Unencumbered Cash - Beginning	<u>-</u>
Unencumbered Cash - Ending	\$ <u><u>-</u></u>

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Title II D - Education Technology Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended June 30, 2011

	<u>Current Year Actual</u>
Cash Receipts	
Intergovernmental Revenues	
Federal Aid	\$ 328
Expenditures	
Instruction	<u>328</u>
Cash Receipts Over (Under) Expenditures	-
Unencumbered Cash - Beginning	<u>-</u>
Unencumbered Cash - Ending	\$ <u><u>-</u></u>

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Bond and Interest Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011

	Current Year		Variance Over (Under)
	Actual	Budget	
Cash Receipts			
Taxes and Shared Revenues			
Taxes	\$ <u>737,874</u>	<u>715,869</u>	<u>22,005</u>
Expenditures			
Principal	<u>540,000</u>	540,000	-
Interest	<u>168,875</u>	<u>168,875</u>	-
Total Expenditures	<u>708,875</u>	<u>708,875</u>	-
Cash Receipts Over (Under) Expenditures	28,999		
Unencumbered Cash - Beginning	<u>908,213</u>		
Unencumbered Cash - Ending	\$ <u>937,212</u>		

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Scholarship Fund
Statement of Cash Receipts and Expenditures
For the Year Ended June 30, 2011

	Current Year Actual
Cash Receipts	
Scholarship Receipts	\$ 7,061
Expenditures	
Scholarship Expenditures	<u>9,927</u>
Cash Receipts Over (Under) Expenditures	(2,866)
Unencumbered Cash - Beginning	<u>11,596</u>
Unencumbered Cash - Ending	\$ <u><u>8,730</u></u>

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Special Gift Fund
Statement of Cash Receipts and Expenditures
For the Year Ended June 30, 2011

	<u>Current Year Actual</u>
Cash Receipts	
Intergovernmental Revenues	
State Aid	\$ 1,080
Other Local Sources	
Grants	6,680
Donations	<u>100</u>
Total Cash Receipts	7,860
Expenditures	
Grant Expenditures	<u>5,130</u>
Cash Receipts Over (Under) Expenditures	2,730
Unencumbered Cash - Beginning	<u>5,957</u>
Unencumbered Cash - Ending	\$ <u><u>8,687</u></u>

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Agency Funds
Summary of Cash Receipts and Cash Disbursements
For the Year Ended June 30, 2011

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Claflin High School				
Band	\$ 2,164	606	1,664	1,106
FFA	3,240	2,519	2,751	3,008
Class of 2010	274	-	274	-
Class of 2011	2,384	564	2,367	581
Class of 2012	5,217	3,323	5,732	2,808
Class of 2013	1,344	6,282	2,783	4,843
Class of 2014	-	586	-	586
NHS	439	107	227	319
C-Club	456	748	719	485
High School Cheerleaders	347	10,267	9,571	1,043
Junior High Cheerleaders	696	3,631	3,487	840
STUCO - Senior High School	1,044	1,461	1,556	949
STUCO - Junior High School	1,269	514	1,060	723
Yearbook	3,877	11,134	11,043	3,968
Scholar's Bowl	368	37	288	117
Total Claflin High School	23,119	41,779	43,522	21,376
Claflin Grade School				
STUCO	3,100	3,885	3,449	3,536
Wilson High School				
High School Cheerleaders	1,557	6,104	7,630	31
Junior High Cheerleaders	111	-	-	111
Art Club	45	-	-	45
Character Counts	309	5	-	314
Class of 2009	228	-	-	228
Class of 2010	15	-	-	15
Class of 2011	4,472	22,241	26,713	-
Class of 2012	861	7,593	4,772	3,682
Class of 2013	1,154	963	136	1,981
Class of 2014	-	451	-	451
Class of 2015	-	523	486	37
Dramatic Arts Club	747	629	385	991
Family Fun Night	1,627	-	1,627	-
Forensics	26	-	-	26
FFA	1,561	20,826	18,385	4,002
Kays	66	-	-	66
LLC Local Funds	-	3,225	3,225	-
NHS	72	766	462	376
Pep Club	-	757	554	203
Science Club	240	-	-	240
Student Council	2,470	2,956	2,855	2,571
Total Wilson High School	\$ 15,561	67,039	67,230	15,370

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Agency Funds
Summary of Cash Receipts and Cash Disbursements
For the Year Ended June 30, 2011

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Quivira High School				
"Q" Club	\$ 3,696	10,704	12,339	2,061
Cheerleaders	1,389	1,696	2,688	397
Class of 2011	4,640	11,758	16,398	-
Class of 2012	1,075	10,398	9,466	2,007
Class of 2013	125	1,692	1,276	541
Class of 2014	-	995	522	473
FCCLA	401	923	824	500
FFA	3,181	7,653	8,689	2,145
Kayettes	280	1,201	1,025	456
Shop	-	996	996	-
NHS	652	401	655	398
Student Council	394	797	687	504
Total Quivira High School	<u>15,833</u>	<u>49,214</u>	<u>55,565</u>	<u>9,482</u>
Quivira Junior High School				
Junior High Cheerleaders	15	-	-	15
Quiz Bowl	49	312	361	-
Total Quivira Junior High School	<u>64</u>	<u>312</u>	<u>361</u>	<u>15</u>
Total	<u>\$ 57,677</u>	<u>162,229</u>	<u>170,127</u>	<u>49,779</u>

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
District Activity Funds
Statement of Cash Receipts, Expenditures, and Unencumbered Cash
For the Year Ended June 30, 2011

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts							
Clafin High School							
Athletics	\$ 6,636	-	36,798	30,868	12,566	-	12,566
Play	1,918	-	1,678	1,480	2,116	-	2,116
Total Clafin High School	<u>8,554</u>	<u>-</u>	<u>38,476</u>	<u>32,348</u>	<u>14,682</u>	<u>-</u>	<u>14,682</u>
Wilson High School							
Athletics	1,723	-	18,069	18,193	1,599	-	1,599
Quivira High School							
Athletics	-	-	11,919	11,919	-	-	-
Quivira Junior High School							
Athletics	53	-	-	-	53	-	53
Total Gate Receipts	<u>10,330</u>	<u>-</u>	<u>68,464</u>	<u>62,460</u>	<u>16,334</u>	<u>-</u>	<u>16,334</u>
School Projects							
Clafin High School							
Concessions	2,008	-	26,977	26,241	2,744	-	2,744
Sales Tax	-	-	4,198	4,198	-	-	-
Total Clafin High School	<u>2,008</u>	<u>-</u>	<u>31,175</u>	<u>30,439</u>	<u>2,744</u>	<u>-</u>	<u>2,744</u>
Clafin Grade School							
Carnival Fund	9,855	-	200	1,616	8,439	-	8,439
Classroom Budgets	199	-	690	889	-	-	-
Total Clafin Grade School	<u>10,054</u>	<u>-</u>	<u>890</u>	<u>2,505</u>	<u>8,439</u>	<u>-</u>	<u>8,439</u>
Wilson High School							
Yearbook	2,968	-	1,734	4,702	-	-	-
Sales Tax	-	-	3,510	2,716	794	-	794
Library	13	-	3,619	2,103	1,529	-	1,529
Dragon Account	5,099	-	11,130	12,912	3,317	-	3,317
Band	408	-	-	-	408	-	408
Pencil Income	83	-	88	97	74	-	74
Total Wilson High School	<u>\$ 8,571</u>	<u>-</u>	<u>20,081</u>	<u>22,530</u>	<u>6,122</u>	<u>-</u>	<u>6,122</u>

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
District Activity Funds
Statement of Cash Receipts, Expenditures, and Unencumbered Cash
For the Year Ended June 30, 2011

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
School Projects (continued)							
Wilson Grade School							
Activity Fund	\$ 1,294	-	43,046	43,422	918	-	918
Quivira High School							
Fine Arts Club	2,711	-	2,075	4,786	-	-	-
T-Bird Spirit	132	-	4,232	3,674	690	-	690
Sales Tax	-	-	2,353	2,353	-	-	-
Yearbook	-	-	804	804	-	-	-
Total Quivira High School	<u>2,843</u>	<u>-</u>	<u>9,464</u>	<u>11,617</u>	<u>690</u>	<u>-</u>	<u>690</u>
Quivira Junior High School							
Concessions	3,831	-	-	-	3,831	-	3,831
Music/Band	553	-	214	490	277	-	277
Donations	5,090	-	535	1,322	4,303	-	4,303
Library	878	-	2,732	2,811	799	-	799
Miscellaneous	(253)	-	488	-	235	-	235
Total Quivira Junior High School	<u>10,099</u>	<u>-</u>	<u>3,969</u>	<u>4,623</u>	<u>9,445</u>	<u>-</u>	<u>9,445</u>
Total School Projects	<u>34,869</u>	<u>-</u>	<u>108,625</u>	<u>115,136</u>	<u>28,358</u>	<u>-</u>	<u>28,358</u>
Revolving Funds							
Quivira Junior High School							
Food Service	(138)	-	13,800	13,662	-	-	-
Total District Activity Funds	<u>\$ 45,061</u>	<u>-</u>	<u>190,889</u>	<u>191,258</u>	<u>44,692</u>	<u>-</u>	<u>44,692</u>

The notes to the financial statements are an integral part of this statement.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Notes to Financial Statements
June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Central Plains Unified School District No. 112 has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. The financial statements of the District consist of all the funds of the District that are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. The District has no component units.

Use of Estimates

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amount of unencumbered cash balances and accounts payable during the reporting period. Actual results could differ from these estimates.

Basis of Presentation – Fund Accounting

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following categories of funds comprise the financial activities of the District for the year ended June 30, 2011.

Governmental Fund Categories

General Funds – to account for all financial resources except those required to be reported in another fund.

Special Revenue Funds – to account for the proceeds of specific revenue sources that are legally restricted to expenditure for a specified purpose.

District Activity Funds – a special revenue fund that accounts for the receipts and disbursements of monies from District activities. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. The students participate in the activities, but the board of education has control of the expenditures. This accounting reflects the District's agency relationship with the student activity organizations.

Debt Service Fund – to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Notes to Financial Statements
June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fiduciary Fund Categories

Private Purpose Trust Funds – to account for assets held by the District as trustee or agent for others. The principal and income of these funds may be expended in the course of the fund's designated operations.

Agency Funds – to account for assets held by the District as a trustee or agent for others.

Student Activity Funds – an agency fund that accounts for the receipts and disbursements of monies from student activity organizations in which the students participate and are involved in the management of the organization's activities. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. The student organization approves the expenditure, not the Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the statutory basis of accounting.

Departure From Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds and enterprise funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget.

- a. Preparation of the budget for the succeeding fiscal year on or before August 1st.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Notes to Financial Statements
June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication the hearing may be held and the governing body may amend the budget at that time. There were two budget amendments this year for the Vocational Education Fund and the KPERS Special Retirement Contribution Fund.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budget expenditure authority lapses at year-end.

A legal operating budget is not required for fiduciary funds and the following special revenue funds: Contingency Reserve Fund, Textbook Rental Fund, Title I Fund, Title II A – Teacher Quality Fund and Title II D – Education Technology Fund.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Deposits and Investments

The District follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary of cash receipts, expenditures, and unencumbered cash.

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Notes to Financial Statements
June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of Credit Risk

State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District does not use "peak periods". All deposits were legally secured at June 30, 2011.

At June 30, 2011, the District's carrying amount of deposits was \$3,869,737 and the bank balance was \$4,154,470. The bank balance was held by five banks resulting in a concentration of credit risk. Of the bank balance, \$1,272,684 was covered by federal depository insurance and \$2,881,786 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The District had no investments at June 30, 2011.

Compensated Absences

The District contracts with various employees and permits employees to accumulate various amounts of vacation time and sick leave. Classified and certified employees are allowed annual sick leave of 10 days per year. Classified and certified employees are also granted three days of personal leave per year. Full-time employees will receive vacation time at the rate of 10 days per year. Twelve month contracted employees will receive vacation time equal to the percentage of their employment (i.e. .8 employment would receive .8 of 10 days, or 8 days). The contract states that accumulated vacation time and personal days must be taken by the contract date or the time will be lost. Employees terminating employment before June 30 of the respective fiscal year will be paid for unused vacation at their applicable hourly rate if they leave. Any unused sick leave may be carried over at the end of the year, but accumulated sick leave is limited to a maximum of 80 days for all District employees. Accumulated sick leave is not paid out if an employee terminates employment or retires.

Deferred Compensation Plan

The District sponsors a deferred compensation plan under Internal Revenue Code Section 403(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The District is not required to make any contributions.

Defined Benefit Pension Plan

Plan Description

The District contributes to the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603-3869) or by calling 1-888-275-5737.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Notes to Financial Statements
June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Funding Policy

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% and 6% (if hired on or after July 1, 2009) of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. The State currently contributes 9.17% of covered payroll, 16.48% for non-licensed KPERS retirees and 20.48% for licensed KPERS retirees. These contribution requirements are established by KPERS and are periodically revised. The State of Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2011, 2010, and 2009, were \$253,834,044, \$248,468,186, and \$242,277,363, respectively, equal to the required contributions for each year as set forth by the legislature. The amount attributable to the District for the year ending June 30, 2011 was \$275,378.

Other Post Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

Property Tax Calendar

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Major tax distributions are made in the months of December through July. Lien dates for personal property are in March and August and lien dates for real property are in September. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received.

Restricted Assets

Restricted cash balances are reported in various funds that are legally restricted for specified uses such as the payment of debt service and fiscal fees on long-term debt and for expenditures approved in federal and state grant contracts. Also, cash is restricted in the trust and agency funds of the District for special purposes.

Reimbursements

The District records reimbursable expenditures (or expenses) in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparison, the expenditures (or expenses) are properly offset by the reimbursements.

NOTE 2 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **Central Plains Unified School District No. 112's** interfund transfers and statutory authority for the year ended June 30, 2011 were as follows:

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112

Notes to Financial Statements

June 30, 2011

NOTE 2 – INTERFUND TRANSFERS (continued)

From	To	Statutory Authority	Amount
General Fund	Special Education Fund	K.S.A. 72-6428	\$ 671,001
General Fund	Vocational Education Fund	K.S.A. 72-6428	217,031
General Fund	At-Risk (4 Year Old Fund)	K.S.A. 72-6428	14,000
General Fund	At-Risk (K-12) Fund	K.S.A. 72-6428	347,617
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	58,826
Supplemental General Fund	Driver Training Fund	K.S.A. 72-6433	5,000
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6433	35,000
Supplemental General Fund	Food Service Fund	K.S.A. 72-6433	135,000
Supplemental General Fund	Professional Development Fund	K.S.A. 72-6433	15,000

NOTE 3 – LITIGATION

Central Plains Unified School District No. 112 is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the District.

NOTE 4 – RISK MANAGEMENT CLAIMS AND JUDGMENTS

Central Plains Unified School District No. 112 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and students; and natural disasters. The District has been unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the District joined together with other Districts in the state to participate in the Kansas Association of School Boards Risk Management Services, a public entity risk pool currently operating as a common risk management and insurance program for 86 participating members.

The District pays an annual premium to the Kansas Association of School Boards Risk Management Services for its workers compensation insurance coverage. The agreement to participate provides that the Kansas Association of School Boards Risk Management Services will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by the Kansas Association of School Boards Risk Management Services' Management.

The District continues to carry commercial insurance for all other risks of loss, including property, general liability, inland marine, auto, linebacker, fidelity bond, and comprehensive collision insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 5 – GRANTS AND SHARED REVENUES

Central Plains Unified School District No. 112 participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Notes to Financial Statements
June 30, 2011

NOTE 6 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Central Plains Unified School District No. 112 had an outstanding check over 2 years at June 30, 2011. This is in violation of KSA 10-816.

NOTE 7 – PRIOR PERIOD RESTATEMENT

Central Plains Unified School District No. 112 was formed on July 1, 2011 by consolidating Unified School District No. 354, Claffin, Kansas and Unified School District No. 328, Ellsworth County, Kansas. The June 30, 2010 audit for Unified School District No. 328, Ellsworth County, Kansas was performed by another firm.

The schedule on page 36 shows the unencumbered cash of each District to make up **Central Plains Unified School District No. 112's** beginning unencumbered cash balance.

Prior period restatements were made to the Vocational Education Fund and the Contingency Reserve Fund in the amounts of \$1,199 and \$37,888, respectively to decrease beginning unencumbered cash.

NOTE 8 – LONG-TERM DEBT

Central Plains Unified School District No. 112 has the following types of long-term debt.

General Obligation Bonds

On April 1, 2003 the District issued \$6,775,000 in General Obligation Refunding Bonds. The original bonds were for the construction of the school buildings located in Wilson, Holyrood and Bushton that were built in 1997.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112

Notes to Financial Statements
For the Year Ended June 30, 2011

NOTE 7 - PRIOR PERIOD RESTATEMENT (continued)

Funds	USD No. 354 Ending Unencumbered Cash	USD No. 328 Ending Unencumbered Cash	USD No. 112 Beginning Unencumbered Cash
Governmental Fund Categories			
General Funds			
General Fund	\$ -	408	408
Supplemental General Fund	10,003	252,476	262,479
Special Revenue Funds			
Capital Outlay Fund	323,690	855,136	1,178,826
Driver Training Fund	10,794	21,901	32,695
Food Service Fund	46,775	76,274	123,049
Professional Development Fund	26,463	47,809	74,272
Special Education Fund	118,329	370,372	488,701
Vocational Education Fund	31,467	62,319	93,786
Recreation Commission Fund	3,253	-	3,253
At-Risk (K-12) Fund	40,576	-	40,576
At-Risk (4 Year Old) Fund	14,777	-	14,777
Contingency Reserve Fund	197,070	358,117	555,187
Textbook Rental Fund	19,150	-	19,150
Title I Fund	-	16	16
District Activity Funds	20,616	24,445	45,061
Debt Service Fund			
Bond and Interest Fund	-	908,213	908,213
Fiduciary Fund Category			
Private Purpose Trust Funds			
Scholarship Fund	-	11,596	11,596
Special Gift Fund	-	5,957	5,957
Total Reporting Entity (Excluding Agency Funds)	\$ 862,963	2,995,039	3,858,002

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112

Notes to Financial Statements
For the Year Ended June 30, 2011

NOTE 8 - LONG-TERM DEBT (continued)

Changes in long-term liabilities for the District for the year ended June 30, 2011, were as follows:

	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds										
Series 2003 Refunding	3.00 - 3.90%	04/01/03	\$ 6,775,000	09/01/17	<u>\$ 4,975,000</u>	<u>-</u>	<u>(540,000)</u>		<u>4,435,000</u>	<u>168,875</u>

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	2012	2013	2014	2015	2016	2017-2018	Total
Principal							
General Obligation Bonds	\$ 565,000	580,000	605,000	630,000	655,000	1,400,000	4,435,000
Interest							
General Obligation Bonds	<u>151,048</u>	<u>131,865</u>	<u>111,417</u>	<u>89,490</u>	<u>66,033</u>	<u>54,842</u>	604,695
Total Principal and Interest	<u>\$ 716,048</u>	<u>711,865</u>	<u>716,417</u>	<u>719,490</u>	<u>721,033</u>	<u>1,454,842</u>	5,039,695

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112

Notes to Financial Statements

June 30, 2011

NOTE 9 - COMPLIANCE WITH K.S.A. 72-6417(d) AND K.S.A. 72-6434(d)

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. The following shows the revenue as required by these statutes.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112**General Fund**

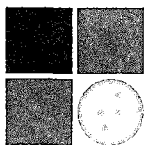
Statutory Revenues and Expenditures - Statutory and Budget

For the Year Ended June 30, 2011

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Statutory Revenues			
Taxes and Shared Revenues			
Taxes	\$ 1,710,395	1,658,206	52,189
Intergovernmental Revenues			
Mineral Severance Tax	59,353	21,000	38,353
Equalization Aid	2,961,926	3,219,050	(257,124)
State Aid	603,378	602,556	822
State Aid - Other	3,000	-	3,000
Federal Aid - ARRA	100,341	100,341	-
Federal Aid - Education Jobs Fund	175,697	-	175,697
Total Statutory Revenues	<u>5,614,090</u>	<u>5,601,153</u>	<u>12,937</u>
Expenditures			
Instruction	2,265,929	2,462,695	(196,766)
Student Support Services	195,684	211,184	(15,500)
Instructional Support Services	152,263	146,285	5,978
General Administration	489,018	544,418	(55,400)
School Administration	589,818	543,557	46,261
Operations and Maintenance	429,148	443,320	(14,172)
Student Transportation Services	185,118	172,520	12,598
Other Supplemental Service	47,526	-	47,526
Transfers Out	1,249,649	1,077,174	172,475
Legal General Fund Budget	5,604,153	5,601,153	3,000
(a) Adjustment for Qualifying Budget Credit	-	3,000	(3,000)
Total Expenditures and Legal General Fund Budget	<u>5,604,153</u>	<u>5,604,153</u>	<u>-</u>
Statutory Revenues Over (Under) Expenditures	9,937		
Modified Unencumbered Cash, Beginning	408		
Prior Year Cancelled Encumbrances	<u>131</u>		
Modified Unencumbered Cash, Ending	<u>\$ 10,476</u>		
(a) Adjustment for Qualifying Budget Credit			
State Aid Over Amount Budgeted		<u>\$ 3,000</u>	

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112

Supplementary Information



Certified
Public
Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Education
Central Plains Unified School District No. 112
Holyrood, Kansas

We have audited the financial statements of **Central Plains Unified School District No. 112** as of and for the year ended June 30, 2011, and have issued our report thereon dated November 14, 2011. The report on the audited financial statements was adverse because it was not presented in conformity with accounting principles generally accepted in the United States of America; however, it was unqualified as presented on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **Central Plains Unified School District No. 112's** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Central Plains Unified School District No. 112's** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies in internal control over financial reporting. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2011-B-1, 2011-B-2, and 2011-B-3 to be significant deficiencies. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Central Plains Unified School District No. 112's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of **Central Plains Unified School District No. 112** in a separate letter dated November 14, 2011.

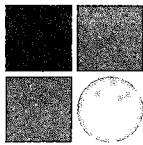
Central Plains Unified School District No. 112's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit **Central Plains Unified School District No. 112's** response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Education, others within the entity, federal awarding agencies and pass through entities, and for filing with the Kansas Department of Administration, Division of Accounts and Reports, and is not intended to be and should not be used by anyone other than these specified parties.



ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

November 14, 2011



Certified
Public
Accountants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Education
Central Plains Unified School District No. 112
Holyrood, Kansas

Compliance

We have audited **Central Plains Unified School District No. 112's** compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of **Central Plains Unified School District No. 112's** major federal programs for the year ended June 30, 2011. **Central Plains Unified School District No. 112's** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of **Central Plains Unified School District No. 112's** management. Our responsibility is to express an opinion on **Central Plains Unified School District No. 112's** compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **Central Plains Unified School District No. 112's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of **Central Plains Unified School District No. 112's** compliance with those requirements.

In our opinion, **Central Plains Unified School District No. 112** complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2011.

Internal Control Over Compliance

Management of **Central Plains Unified School District No. 112** is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered **Central Plains Unified School District No. 112's** internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **Central Plains Unified School District No. 112's** internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Education, others within the entity, federal awarding agencies and pass-through entities, and for filing with the Kansas Department of Administration, Division of Accounts and Reports, and is not intended to be and should not be used by anyone other than these specified parties.


ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

November 14, 2011

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:

Unqualified

Internal control over financial reporting

- | | | | | |
|---|-------------------|-----|-------------------|---------------|
| • Material weakness identified? | <u> </u> | Yes | <u> X </u> | No |
| • Significant deficiencies identified? | <u> X </u> | Yes | <u> </u> | None reported |
| • Noncompliance material to financial statements noted? | <u> </u> | Yes | <u> X </u> | No |

FEDERAL AWARDS

Internal control over major programs:

- | | | | | |
|--------------------------------------|-------------------|-----|--------------|---------------|
| • Material weakness identified? | <u> </u> | Yes | <u> X </u> | No |
| • Significant deficiency identified? | <u> </u> | Yes | <u> X </u> | None reported |

Type of auditors' report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

 Yes X No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.410	Education Jobs Fund
84.394	State Fiscal Stabilization Fund - Education State Grants, Recovery Act

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

 Yes X No

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

SECTION II – FINANCIAL STATEMENT FINDINGS

A. Material Weakness in Internal Control

None

B. Significant Deficiencies in Internal Control

2011-B-1

Criteria or specific requirement

Internal controls should be in place to ensure that employees do not have incompatible duties.

Condition

Proper segregation of duties does not exist in the accounting system.

Effect

Management may not become aware of the problems or irregularities within a timely manner.

Cause

The District is unable to hire additional personnel due to its size.

Recommendation

Procedures should be established and implemented where the District implements segregation of duties in the receipts and expenditures cycles and implements additional internal control.

Views of responsible officials and planned corrective actions

The District is aware that employees have incompatible duties; however, due to the size of the District, it would not be feasible to hire additional personnel

2011-B-2

Criteria or specific requirement

District personnel responsible for the accounting and reporting function should have the necessary skills and knowledge to prepare financial statements and related footnotes in conformity with the cash basis and budget laws of the State of Kansas.

Condition

Client personnel responsible for the accounting and reporting function do not have the necessary skills and knowledge to prepare the District's financial statements and related footnotes.

Effect

Financial transactions, financial statements, and footnotes may not properly reflect financial information in accordance with the cash basis and budget laws of the State of Kansas.

Cause

Due to the limited size of the District, it is not practical to hire fully qualified staff to the extent that they possess all of the skills required in order to apply statutory basis of accounting including relevant note disclosures.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

Recommendation

Continual training of accounting personnel should be implemented to ensure financial transactions and financial statements are being presented as accurately as possible.

Views of responsible officials and planned corrective actions

The District is aware that personnel responsible for the accounting and reporting function do not have the necessary skills and knowledge to apply generally accepted accounting principles. However, due to the size and financial resources of the District, it would not be feasible to obtain the necessary training.

2011-B-3

Criteria or specific requirement

All commitments for purchases entered into during the fiscal year should be encumbered in the year the expenditure was approved or the contract was entered into.

Condition

A verbal agreement was entered into prior to June 30, 2011 to refinish the gym floor at the High School. An invoice was received in July 2011 for \$14,960. This amount was not recorded as an encumbrance at June 30, 2011.

Effect

Expenditures are not being charged to the fund in the proper year. This could cause the financial statements to be misstated and mislead the users of the statements.

Cause

The procedures in place failed to identify the error.

Recommendation

Review should be made of encumbrances. Contracts should be approved by the Board and documented in the meeting minutes. Minutes should be reviewed to ensure that all change orders and commitments are recorded properly, especially at fiscal year end.

Views of responsible officials and planned corrective actions

The District is aware that encumbrances were understated at year end. Appropriate personnel will better monitor encumbrances in the future to ensure that all encumbrances are properly recorded.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No material findings or questioned costs are required to be disclosed under OMB Circular A-133.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Agency or Pass Through Number	Federal Expenditures
U.S. Department of Agriculture			
Passed Through Kansas State Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	3529-3490 3490 9904	\$ 20,727
National School Lunch Program	10.555	3530-3500 3500 9902/12	114,047
RA-NSLP Equipment	10.579	3230-3020 3020 9579	<u>5,198</u>
Total Child Nutrition Cluster			139,972
U.S. Department of Education			
Passed Through Kansas State Board of Education			
Title I Funds			
Title I Grant to Local Education Agencies	84.010	3532-3520 3520	96,914
Title II D Technology Fund			
Education Technology State Grants	84.318	3233-3040 3040 9962	328
Title II A Teacher Quality Fund			
Improving Teacher Quality State Grants	84.367	3526-3860 3860	35,837
State Fiscal Stabilization Fund			
State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	S394A090017	100,341
Education Jobs			
Education Jobs Fund	84.410	S410A100017	<u>175,697</u>
Total Expenditures of Federal Awards			\$ <u>549,089</u>

See accompanying notes to schedule of expenditures of federal awards.

CENTRAL PLAINS UNIFIED SCHOOL DISTRICT NO. 112
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Central Plains Unified School District No. 112**, and is presented on the basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.